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FISCAL IMPACT STATEMENT

LS 7937

BILL NUMBER: SB 500

NOTE PREPARED: Feb 25, 2005

BILL AMENDED: Feb 24, 2005

SUBJECT: Election Commission and Election Division.

FIRST AUTHOR: Sen. Young R Michael

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X **GENERAL
DEDICATED
FEDERAL**

IMPACT: State & Local

Summary of Legislation: (Amended) This bill has the following provisions:

(A) The bill designates the Secretary of State (SOS) as the state's chief election official for all purposes. The bill provides that the Secretary of State serves as a member and the chair of the Election Commission (the Commission).

(B) The bill provides that a member of the Commission may not be a lobbyist, an officeholder for two years before appointment, or a political party officer (except for precinct committeeman, vice committeeman, or state convention delegate).

(C) The bill abolishes the process by which a state political party chairman disapproves of a Governor's appointment to the Commission.

(D) The bill requires a proxy of record and an alternate proxy to meet the same qualifications as the member in whose place the proxy serves.

(E) The bill provides that the Election Division is administered by a director, who serves at the pleasure of the Secretary of State. The bill abolishes the current positions of Co-Director. The bill specifies that the Election Division staff must include an assistant director selected from a list of two names submitted by the chairman of the political party whose candidate received the second highest number of votes for Secretary of State at the most recent election for that office.

(F) The bill permits the Election Division to enter into an agreement with a person subject to a campaign finance civil penalty to permit the person to pay the proposed penalty in full and waive further proceedings.

(G) The bill permits the Election Division to authorize county adoption of a proposed precinct establishment order submitted by a county if a voter of the county does not file an objection to the proposed order.

(H) The bill removes provisions requiring the consent of the Co-Directors of the Election Division for state administration and implementation of the Help America Vote Act.

(I) The bill makes technical changes. The bill repeals obsolete statutes relating to the Co-Directors of the Election Division.

Effective Date: Upon passage.

Explanation of State Expenditures: (A) *Chair of the Election Commission:* This provision should not increase state expenditures as the Secretary of State would not receive a salary per diem nor mileage for their service on the Election Commission.

Background Secretary of State: The Secretary of State reverted \$5,291 back to the General Fund in FY 2004. As of December 6, 2004, the Secretary of State had 70 staff members, including the Election Division. Sixty-one of those employees were full-time.

(E) This provision may reduce state expenditures with respect to salaries of the executive management of the Election Division. Currently, the Co-Directors of the Division receive identical salaries. Assuming the proposed Director position were paid the same salary and an assistant director were paid less than the other Co-Director is currently paid, the state would see a salary savings. However, the bill would require the proposed Director to employ a general counsel, whom would serve as acting Director upon the absence of the Director. If the proposed general counsel increased the total employment of the Division, additional expenditure would be necessary for the counsel's salary and fringe benefits.

If the general counsel were classified as an ESM 5 position (same as the Co-Directors currently) the estimated total salary and benefits would be \$71,067 in FY 2006. The Division currently has a vacant ESM 5 position.

The Division currently employs two attorneys. It is possible that one or both of the current attorney's responsibilities could be replaced by the proposed general counsel.

(G) Under the bill, the Election Division would be charged to process objections filed by citizens in proposed precinct boundary changes. The Division, upon receipt of any objections, would be required to notify the county executive of the objections. The Election Commission would be required to hold a hearing to determine if the proposed changes comply with precinct standards under current law.

(H) The provision would reduce the administrative responsibilities of the Election Division.

Background: As of December 2004, the Election Division had 13 staff positions. Four positions: a systems analyst, an unclassified executive position, a Governor's fellow, and a PAT 1 attorney were vacant. The other 10 positions included one attorney, two field auditors, two unclassified executive positions, two program coordinators, and two administrative personnel.

The Election Commission/Division reverted \$63,947 back to the state General Fund at the end of FY 2004. The Election Division was appropriated \$794,571 in FY 2004 and \$725,571 in FY 2005.

Explanation of State Revenues: (F) By waiving a hearing with an agreement to pay a civil penalty, the Election Division could receive penalties more quickly and reduce the administrative case load of campaign law violations for the Commission.

Explanation of Local Expenditures: (G) The county executive would be required to publish in at least one popular newspaper in the area a notice of proposed changes in precinct boundaries, informing voters of their option to object to the proposed precinct boundaries and request a hearing by the Election Commission. This provision should require minimal expenditure for printing costs.

Explanation of Local Revenues:

State Agencies Affected: Secretary of State, State Election Commission, State Election Division.

Local Agencies Affected: Counties.

Information Sources: *State of Indiana HRM Detail Staffing Report, December, 2004*; State Budget Agency: *FY2004 General and Rainy Day Fund Summaries*; State of Indiana: *List of Appropriations July 1, 2003 to June 30, 2005*; BUDSTARS

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